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THE HON. SRI C. SUBRAMANIAM: Mr. Speaker, Sir, I move—

"That the Madras Appropriation (No. 5) Bill, 1956, be passed."

MR. SPEAKER: The question is—

"That the Madras Appropriation (No. 5) Bill, 1956, be passed."

The motion was put and carried and the Bill was passed.

VII.—GOVERNMENT MOTION.

AMENDMENTS TO THE MADRAS GENERAL SALES TAX (TURNOVER AND ASSESSMENT) RULES, 1939.

* THE HON. SRI M. A. MANICKAVELU: Mr. Speaker, Sir, I move—

"That the following draft amendments to the Madras General Sales Tax (Turnover and Assessment) Rules, 1939 (published with Revenue Department Notification No. 818, dated the 12th September 1939, at pages 1-5 of the Extraordinary issue of the *Fort St. George Gazette*, dated the 15th September 1939), as subsequently amended, which it is proposed to make in exercise of the powers conferred by section 3, sub-sections (4) and (5) of the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), be approved:—

DRAFT AMENDMENTS.

In the said rules—

(1) in sub-rule (3) of rule 4, after item (f), the following Explanation shall be inserted, namely:—

"*Explanation.*—Tailoring Contracts, for this purpose, shall mean the undertakings by tailors to stitch garments out of cloth supplied by customers but using their own thread, buttons, buckles, piping, lining cloth and other subsidiary materials and thereby transferring the property in the said materials by the execution of such works";

(2) in the proviso to sub-rl (8) of rle 5-A, for the words "two years", the words "three years" shall be substituted;

(3) for rule 12, the following rule shall be substituted, namely:—

"12. After making the final assessment under sub-rule (2) or (3) of rule 11, the assessing authority shall examine whether any and, if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment, with reference to rule 7, rule 8 or sub-rule (4) of rle 11. If any

amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B, and the dealer shall pay the sum demanded at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon the dealer a notice in Form C for refunding the excess tax. If the final assessment is exactly equal to the tax already paid on the provisional assessment, the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it." ;

(4) in rule 13—

(*a*) in sub-rule (1)—

(i) for the expression "1st April", the expression "1st May" shall be substituted;

(ii) in the last sentence before the proviso, for the words "in the course of a year", the words "thereafter in respect of that year" shall be substituted;

(*b*) for sub-rule (7), the following sub-rule shall be substituted, namely :—

"(7) After making the final assessment under sub-rule (6), the assessing authority shall examine whether any and, if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment with reference to sub-rule (3) or (4). If any amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B and the dealer shall pay the sum demanded at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon the dealer a notice in Form C for refunding the excess tax. If the final assessment is exactly equal to the tax already paid on the provisional assessment the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it";

(5) for sub-rule (6) of rule 15, the following sub-rule shall be substituted, namely :—

"(6) After making the final assessment under sub-rule (5), the assessing authority shall examine whether any and if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment with reference to sub-rule (3) or (4). If any amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B and the dealer shall pay the sum demanded, at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon

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the dealer a notice in Form C, for refunding the excess tax. If the final assessment is exactly equal to the tax already paid on the provisional assessment, the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it."

Mr. Speaker, Sir, let me explain the object of each amendment.

Amendment No. 1.—According to item (*f*) of sub-rule (3) of rule 4 of the Madras General Sales Tax (Turnover and Assessment) Rules, in the case of tailoring contracts, the maximum percentage of deduction towards cost of labour, for arriving at the taxable turnover, is 70 per cent of the total turnover. It is proposed to insert in the sub-rule a definition of 'tailoring contracts', so that the sub-rule may apply only to tailors who merely stitch garments out of cloth supplied by customers and not to ready-made clothes manufacturers.

Amendment No. 2.—Under rule 17 of the Madras General Sales Tax Rules, the Commercial Tax authorities have power to assess escaped turnover at any time within three years next succeeding that to which the tax or licence fee relates. For this purpose, the accounts of any dealer may have to be called for and checked. But, under rule 5-A (8) of the Madras General Sales Tax (Turnover and Assessment) Rules, the accounts of a registered dealer can be called for and examined by the assessing authority, for the purpose of satisfying himself that the dealer has paid in full the amounts collected by him by way of tax, only up to a period of two years next succeeding that in which the collections were made. It is proposed to remove this anomaly, by amending rule 5-A (8) of the Madras General Sales Tax (Turnover and Assessment) Rules, so as to provide for a time-limit of three years for scrutiny of the accounts, instead of two years.

Amendments (3), (4) (*b*) *and* (5).—According to rules 12, 13 (7) and 15 (6) of the Madras General Sales Tax (Turnover and Assessment) Rules, if the final assessment is greater than the provisional assessment, the assessing authority should serve upon the dealer a notice in Form B (notice of final assessment and demand) appended to those rules and, if the final assessment is lower than the provisional assessment, he should serve on the dealer a notice in Form C (notice of final assessment and refund order) appended to those rules. In a recent case, in which a dealer was provisionally assessed to an amount which he did not pay and was later finally assessed to a lower amount, he was served with a notice in Form B for payment of the final assessment and, as he did not pay it, was prosecuted. The Court observed, following the wording of the rules referred to, that the dealer should have been served with notice in Form C and not a notice in Form B. In this case, it may be seen that the dealer had not paid the provisional assessment and there is therefore no question of refunding any amount to him and so no

need to serve a notice in Form C on him. But the rules referred to, as they are worded at present, do not bring this out clearly. It is accordingly proposed to amend those rules suitably.

Amendment (4) (*a*).—Under rule 13 (1) of the Madras General Sales Tax (Turnover and Assessment) Rules, dealers who are desirous of adopting the method of payment of tax on the basis of the actual monthly turnover from the beginning of any year should give intimation to the assessing authorities before the 1st April of any year. As the dealers would know their correct turnover for the previous financial year only in the first week of April and as they should be given some time after the close of the financial year to send their applications, it is proposed to amend the rules referred to, so as to permit them to send their applications before the 1st May instead of before the 1st April, in any year.

It is now clear that by the last amendment it is proposed to give a concession that is by extending the period by one month to the merchants in order to facilitate their sending the return. Different forms are prescribed and in order to remove an anomaly pointed out by the Court, we are amending the rule by another amendment. In another amendment the difference between rules 17 and 5 (A) (8) is sought to be set right and the rules made uniform. Again we are clarifying what is taxable turnover in regarding to work contract. These are the amendments meant to clear difficulties and in a particular case give an extra concession to the merchants. There is nothing more in the amendments. I hope the House will accept the amendments.

11-30 a.m. SRI V. BALAKRISHNAN : கனம் சபாநாயகர் அவர்களே, தையல் தொழிலாளர்களின் நீண்டகால கோரிக்கைக்கு இணங்கி ரெவினியூ மந்திரி அவர்கள் திருத்தம் கொண்டுவந்திருப்பதைப் பாராட்டுகிறேன். இப்படி விற்பனை வரி இலாக்காவில் அநீதியாகக் கஷ்டப்படுத்தப்படுபவர்களின் குறைகளை எல்லாம் சர்க்கார் கவனித்து அதை நிவர்த்தி செய்ய வேண்டும். இன்றைக்கு பல மூட்டைப் பூச்சிகள் இருக்கின்றன. அவை ஒவ்வொன்றாகக் கண்டுபிடித்து தன்னுடைய பெருவிரலால் கனம் அமைச்சர் அவர்கள் நசுக்கவேண்டுமென்பதாகக் கேட்டுக்கொள்கிறேன். முன்பு நாம் சீனி-மூட்டைக்கு 1 அணா வரி விதிக்கக்கூடிய மசோதாவைக்கொண்டு வந்தோம். அதனால் கிட்டத்தட்ட நாற்பது, ஐம்பது லட்சம் ரூபாய் வருமானம் வரும் என்று சர்க்கார் சொன்னார்கள். ஆனால் நடைமுறையில் அவ்வளவு வராது என்று நினைக்கிறேன். அதிகமாக வருகிறது என்றாலும் பத்து லட்சத்திற்குமேல் போகாது. காரணம் பலயிடங்களில் சர்க்கரை மூட்டைகளின் கணக்கு ஒளிக்கப்படுகிறது. இந்த ராஜ்யத்திற்கு சர்க்கரை வெளியிடங்களில் இருந்து ரயில் மூலமாக வரலாம். கப்பல் மூலமாகவும் வரலாம். சர்க்கார் ரயில் மூலமாக வருகின்ற மூட்டைகளுக்கு கணக்கு எடுக்கிறார்களா ? எடுத்தால் யார் யாருக்கு எந்த எந்த ஊருக்கு அந்த மூட்டைகள் போகின்றன ? அம்மூட்டைகளை எடுக்கும் டீலர் ரிஜிஸ்டர் செய்யப்பட்டவரா ? அல்லது தனிப்பட்டவரா ? என்பதைப் பரிசீலனை செய்கிறார்கள் என்று தெரியவில்லை. அப்படியேதான் கப்பல் மூலமாக வரும் மூட்டைகளும் சரியான கணக்கு எடுக்கப்படாததனால் ஏராளமான மூட்டைகளுக்கு வரவேண்டிய வரி சர்க்காருக்கு வருவது கிடையாது. ஆனால் ஏழை மக்களிடம் சர்க்கரை வரி உயர்த்தப்பட்டுவிட்டது என்ற பெயரால் வாங்கப்படும் பணம் நிறுத்தப்படவில்லை. அந்த மசோதா நிறைவேறி ஆறு மாதங்களுக்கு மேல் ஆகிவிட்டது. சர்க்கார்

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எதிர்பார்த்த நாற்பது ஐம்பது லட்சம் ரூபாயில் பாதியாவது வந்திருக்கிறதா எனக் கணக்குப் பார்த்தால் நான் சொல்வதன் அர்த்தம் புரியும். இதை கவனித்து உடனடியாக மந்திரி அவர்கள் நடவடிக்கை எடுக்கவேண்டுமென்பதாகக் கேட்டுக்கொள்கிறேன்.

The Hon. Sri M. A. MANICKAVELU : நடைமுறையில் ஏற்படும் சில கஷ்டங்களை நிவர்த்திக்கவே நான் திருத்தம் கொண்டுவந்திருக்கிறேன். ஆனால் ஸ்ரீ பாலகிருஷ்ணன் அவர்கள் மூட்டைப் பூச்சி, சர்க்கரை மூட்டை என்று சம்பந்தம் இல்லாமல் பேசுகிறார்கள். அவருடைய கேள்விக்கு இன்னொரு சந்தர்ப்பத்தில் சமாதானம் சொல்கிறேன். இப்பொழுது சபை முன்பு நான் கொண்டுவந்திருக்கும் திருத்தத்தை ஏற்கவேண்டுமென்பதாகக் கேட்டுக்கொள்கிறேன்.

MR. SPEAKER :—The question is—

"That the following draft amendments to the Madras General Sales Tax (Turnover and Assessment) Rules, 1939 (published with Revenue Department Notification No. 818, dated the 12th September 1939, at pages 1–5 of the Extraordinary issue of the *Fort St. George Gazette*, dated the 15th September 1939), as subsequently amended, which it is proposed to make in exercise of the powers conferred by section 3, sub-sections (4) and (5) of the Madras General Sales Tax Act, 1939 (Madras Act IX of 1939), be approved :—

DRAFT AMENDMENTS.

In the said rules—

(1) in sub-rule (3) of rule 4, after item (*f*), the following Explanation shall be inserted, namely :—

"*Explanation.*—Tailoring Contracts, for this purpose, shall mean the undertakings by tailors to stitch garments out of cloth supplied by customers but using their own thread, buttons, buckles, piping, lining cloth and other subsidiary materials and thereby transferring the property in the said materials by the execution of such works";

(2) in proviso to sub-rule (8) of rule 5-A, for the words "two years", the words "three years" shall be substituted;

(3) for rule 12, the following rule shall be substituted, namely :—

"12. After making the final assessment under sub-rule (2) or (3) of rule 11, the assessing authority shall examine whether any and if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment, with reference to rule 7, rule 8 or sub-rule (4) of rule 11. If any amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B, and the dealer shall pay the sum demanded at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon the dealer a notice in Form C for refunding the excess tax. If the final assessment is

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exactly equal to the tax already paid on the provisional assessment, the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it." :

(4) in rule 13—

(a) in sub-rule 1—

(i) for the expression "1st April", the expression "1st May" shall be substituted;

(ii) in the last sentence before the proviso, for the words "in the course of a year", the words "thereafter in respect of that year" shall be substituted;

(b) for sub-rule (7), the following sub-rule shall be substituted, namely :—

"(7) After making the final assessment under sub-rule (6), the assessing authority shall examine whether any and if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment with reference to sub-rule (3) or (4). If any amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B and the dealer shall pay the sum demanded at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon the dealer a notice in Form C for refunding the excess tax. If the final assessment is exactly equal to the tax already paid on the provisional assessment the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it";

(5) for sub-rule (6) of rule 15, the following sub-rule shall be substituted, namely—

"(6) After making the final assessment under sub-rule (5), the assessing authority shall examine whether any and if so, what amount is due from the dealer towards it after deducting any tax already paid on the provisional assessment with reference to sub-rule (3) or (4). If any amount is found to be due from the dealer towards the final assessment, the assessing authority shall serve upon the dealer a notice in Form B and the dealer shall pay the sum demanded, at the time and in the manner specified in the notice. If the tax due on the final assessment is lower than the tax already paid on the provisional assessment, he shall serve upon the dealer a notice in Form C, for refunding the excess tax. If the final assessment is exactly equal to the tax already paid on the provisional assessment, the assessing authority shall inform the dealer what the final assessment is and that no further amount is due from him towards it."

The motion was put and carried and the amendments were approved.